



HOUSING FINANCE AUTHORITY REGULAR MEETING

DATE: Monday, April 19, 2004
2:00 P.M

PLACE: 25 West Flagler Street
Suite 950
Miami, Florida 33130

AGENDA

- I. Roll Call**
- II. Approval of Minutes**
Monday, March 22, 2004
- III. Requests**
 - A)** Financial Advisor Selection Committee Report
 - B)** Mowry Gardens Inducement Resolution HFA -04-06
- IV. Updates**
 - A)** Potential Developments for American Community Fund Program
 - i)** Capital Lofts
 - ii)** Richmond Heights CDC
 - iii)** Urban Empowerment Corporation
 - B)** 2002 Single Family Programs
 - C)** Foundation/Community Outreach
- V. Other Business**

Housing Finance Authority Regular Meeting



DATE: March 22, 2004

PLACE: 25 West Flagler Street
Suite 950
Miami, Florida 33130-1720

TIME: 2:14 P.M.

ATTENDANCE:	Anthony Brunson	Nicholas Cardoso
	Don Horn, Chairman	Maggie Gonzalez
	Cordella Ingram	Rey Sanchez
	Rene Sanchez	V.T. Williams
	Katrina Wright	

STAFF: Patricia Braynon, Director
Mary Aguiar, Administrative Officer III
Sheere Benjamin, Administrative Officer II
Giraldo Canales, Compliance Specialist
Adela Garcia, Trust Account Manager
Amelia Stringer-Gowdy, Special Projects Administrator
David Hope, Assistant County Attorney
Ayin Maryoung, Senior Executive Secretary
Jose Pons, Assistant Administrator
Derrick Woodson, Administrative Officer III

APPEARANCES: Patt Denihan, Denihan and Associates Leader Mortgage
Marianne Edmonds, Co-Financial Advisor
Opal Jones, Executive Director, Miami-Dade Affordable
Housing Foundation, Inc.
Manuel Alonso-Poch, Esq., Co-Bond Counsel
David Deutsche, The Corinthian Development
Paul Gower, FNMA Corporation
Ray Popkin, Dain Rauscher Corporation

AGENDA

The meeting was called to order with a quorum at 2:11 p.m.

Chairman Horn requested Ms. Braynon to call the roll to begin the meeting.

I. Roll Call

Ms. Braynon called the roll. She indicated that Patrick Cure and Chip Iglesias would not be attending the meeting. She stated that Adam Petrillo was running late but was expected. Ms. Braynon stated that the board did have a quorum.

II. Approval of Minutes

A MOTION was made by Cordella Ingram to approve the minutes from the February 23, 2004, meeting, with the correct spelling of William R. Hough. The motion was seconded by Rey Sanchez and passed unanimously.

III. Requests

A) TEFRA Notices

i. Brownsville Manor Apartments - Ms. Braynon stated that the developer sent a notice to the Authority stating that he may use more than the 7.8 million but will remain under the ten percent cap. She stated at the TEFRA hearing was held on Monday, March 22, no one indicated problems or issues.

ii. Downtown Place – Ms. Braynon stated that the TEFRA hearing for Downtown Place was also held on Monday, March 22, and there were no problems with this transaction.

iii. The Corinthian -- Ms. Braynon stated that the developer of The Corinthian has contacted the Authority to request an increased amount. David Deutsche, representing the developer, was present at the board meeting to respond to any questions from the board. Marianne Edmonds stated that construction costs have escalated since the project was submitted and she recommended that the Authority go forward with the request. Ms. Braynon said that there were no items to approve at this time and the new TEFRA date is April 12.

(C) Fannie Mae (FNMA) Line of Credit (American Communities Fund)

Ms. Braynon stated that the Authority is asking for authorization to move forward to bring back a potential business transaction that will need the board's approval. Developers have approached the Authority with an idea of equity sharing using a Fannie Mae (FNMA) product through their American Communities Fund Program (ACF). Paul Gower from FNMA explained that his division (ACF), actually funds the financing of projects; providing a guarantee of credit enhancement or by setting up a line of credit that is specific to a particular project. Mr. Gower stated that ACF can tailor the program to meet the Authority's requirements.

A MOTION was made by Rene Sanchez to approve the request of the Authority's to gather more information regarding a partnership with FNMA regarding equity participation. The motion was seconded by Maggie Gonzalez and passed unanimously, with one abstention (Katrina Wright).

(B) Drawdown Bond to Replace Federal Home Loan Bank (FHLB) Line of Credit

Marianne Edmonds explained the details of how the Authority uses the FHLB line of credit process for recycling private activity bond allocations for single-family programs. By closing the line of credit with FHLB, it would be replaced with an institutional investor (Dain Rauscher) who would act as a lender, providing a net interest cost of zero. Ms. Edmonds stated that bond counsel has reviewed the proposed program and expressed no concerns. Ms. Braynon stated that a TEFRA hearing will be scheduled.

A MOTION was made by Anthony Brunson to approve staff and the financial advisors gathering more information and documentation from Dain Rauscher on replacing FHLB's Line of Credit. The motion was seconded by Cordella Ingram and passed unanimously.

IV. Updates

A) 2002 Single Family Program

Patt Denihan stated she had nothing new to add to her report that is in the board member packages.

B) Foundation/Community Outreach

Ms. Braynon reported that MDAHFI is the recipient of a \$25,000 grant from Freddie Mac for "Dispel the Myth" pilot program that will be piloted in several cities across the United States. Ms. Braynon stated that she and Opal Jones, Executive Director of MDAHFI, were flying to the headquarters of Freddie Mac in McLean, Virginia to attend a one-day seminar and to pick up the \$25,000 grant check.

Ms. Braynon discussed the on-going housing workshops in Miami-Dade County: 25/30 individuals graduated from the South Club; CAA, which is the North Club, was finalized with 75 people graduating from that club; and the County workshops are in process at this time. Lastly, With Ownership Wealth (WOW) homeownership classes are being conducted with follow-up classes each month.

Ms. Braynon congratulated Manuel Alonso-Poch, for his diligence in attending the homeownership classes, providing assistance and volunteering his valuable time.

V. Authority Administration

A. Authority Financial Statements – Annual Audited Statements

There were no discussions by the Board.

B. Non Pooled Investments

There were no discussions by the Board.

C. Delinquent Multifamily Accounts

There were no discussions by the Board.

D. Multifamily Monthly Report

There were no discussions by the Board.

VI. Other Business

Ms. Braynon discussed the Request for Proposal for financial advisor deadline which was the previous Friday, March 19. She stated that three firms made submissions and the selection committee (V.T. Williams, Maggie Gonzalez and Rene Sanchez), appointed by the Chair, would be meeting with her after the board meeting to rank the submittals. Ms. Braynon stated that the selection committee recommendation would be presented at the April 19 board meeting.

Ms. Braynon informed the members of the board that staff was planning this year's annual Bus Tour of homeownership and multi-family developments. Katrina Wright expressed how much she enjoyed last year's tour. She encouraged the board members to attend and participate in the upcoming bus tour to actually see where the Authority's investments are going.

Chairperson Horn discussed the upcoming education conference in Memphis and reminded board members to speak with Jose Pons, if there were questions or concerns about the trip packages.

The meeting adjourned at 2:58 p.m.

**HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY
RFP SELECTION COMMITTEE FOR
FINANCIAL ADVISOR
3/22/2004**

RANKING OF FIRMS AND THEIR FINAL SCORES*:

1)	Marianne Edmonds, Inc. and J.P. Morgan (Larry Flood)	-	100
2)	Morgan Keegan	-	72
3)	Public Financial Management (PFM)	-	69

*** Qualifying Criteria Attached**



HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY

MARIANNE EDMONDS, INC. AND J. P. MORGAN (LARRY FLOOD) RANKING SHEET

QUALIFYING CRITERIA					
Member	1. EXPERIENCE, INNOVATION & ACCESSIBILITY (Max 30 points)	2. FIRM'S HOUSING EXPERIENCE (Max 30 Points)	3. INDIVIDUAL'S HOUSING EXPERIENCE (Max. 20 points)	4. PROPOSED FEE STRUCTURE (Max. 20 points)	TOTAL
Maggie Gonzalez	30	30	20	20	100
VT Williams	30	30	20	20	100
Rene Sanchez	30	30	20	20	100
<i>Average</i>	<i>30</i>	<i>30</i>	<i>20</i>	<i>20</i>	<i>100</i>



HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY

MORGAN KEEGAN RANKING SHEET

QUALIFYING CRITERIA					
Member	1. EXPERIENCE, INNOVATION & ACCESSIBILITY <i>(Max 30 points)</i>	2. FIRM'S HOUSING EXPERIENCE <i>(Max 30 Points)</i>	3. INDIVIDUAL'S HOUSING EXPERIENCE <i>(Max. 20 points)</i>	4. PROPOSED FEE STRUCTURE <i>(Max. 20 points)</i>	TOTAL
Maggie Gonzalez	30	20	10	10	70
VT Williams	20	20	10	5	55
Rene Sanchez	28	25	18	18	89
<i>Average</i>	<i>26</i>	<i>22</i>	<i>13</i>	<i>11</i>	<i>72</i>



HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY

PUBLIC FINANCIAL MANAGEMENT (PFM) RANKING SHEET

QUALIFYING CRITERIA					
Member	1. EXPERIENCE, INNOVATION & ACCESSIBILITY <i>(Max 30 points)</i>	2. FIRM'S HOUSING EXPERIENCE <i>(Max 30 Points)</i>	3. INDIVIDUAL'S HOUSING EXPERIENCE <i>(Max. 20 points)</i>	4. PROPOSED FEE STRUCTURE <i>(Max. 20 points)</i>	TOTAL
Maggie Gonzalez	20	20	10	10	60
VT Williams	20	20	10	5	55
Rene Sanchez	30	28	15	18	91
<i>Average</i>	<i>24</i>	<i>23</i>	<i>12</i>	<i>11</i>	<i>69</i>

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY
Financial Advisors
EVALUATION PROPOSALS

Name: **Marianne Edmonds, Inc. and JPMorgan (Larry Flood)**

SELECTION CRITERIA	RESPONDENT Marianne Edmonds, Inc. JP Morgan (Larry Flood)
<p><u>1. Demonstrated Technical Competence, Expertise, and Innovative Ability</u> Demonstrated technical competence, expertise, innovative ability, accessibility and availability of the respondent and in the case of a joint venture, of each firm in providing the services described in this RFP. (30 Points)</p>	<p>Developed a master indenture for its single-family program and developed a deep subsidy loan for lower income homebuyers. In 1987, Mr. Flood restructured the Authority's 1980 single family issue, swapping bond insurance for the substantial reserves and excess assets built-up in the program. The restructuring released in excess of \$10 million to the Authority. In 1991, Ms. Edmonds proposed that the Authority refund its existing Series 1980 and 1981 single family bonds in order to release equity which has accumulated in those trust indentures and to provide a way to fund a significant volume of low interest rate, single family mortgages without allocation. The refunding created over \$2.5 million of equity; \$1.3 million was used to pay costs associated with the new single family program, and the remainder was released to the Authority for its general fund. They also assisted the Authority in the negotiation of a revolving line of credit with the Federal Home Loan Bank of Atlanta. The line of credit allows the Authority to refund previously issued single family bonds in order to fund new mortgage loans without using private activity allocation. They are currently proposing a new program to the Authority to replace the Federal Home Loan Bank Line of Credit. As balances under the line have increased, the fees associated with the program have become less attractive.</p>

2. Experience of Responding Firm

Experience of the respondent, and in the case of a joint venture, of each firm as a financial advisor in all aspects of multi-family housing and single family housing bond matters for issuers similar to the Authority since January 1, 2001 (30 points)

Marianne Edmonds founded Marianne Edmonds, Inc. in 1987. Her experience includes serving as the lead banker or financial advisor on more than \$1.92 billion of single family housing bonds and over \$997 million of multifamily housing bonds. Her firm has worked with nearly every housing finance authority in Florida, as well as with other issuers of bonds to finance multifamily housing.

Larry Flood joined JPMorgan in December 2003 and prior to that was owner and president of The Flood Company, Inc. which provided financial advisory and consulting services to real estate and mortgage finance issuers. Mr. Flood served as lead banker for housing transactions totaling in excess of \$10 billion at Lehman Brothers and its predecessor organizations. Mr. Flood also headed the Shearson technical support group that was responsible for the preparation of all cash flow analyses for housing transactions senior managed by Shearson. His cash flow preparation experience includes virtually all single family stand-alone and open indenture structures and yield computations, as well as virtually all multifamily credit-enhanced structures.

3. Experience of Individual

Experience of the individuals to be assigned to the Authority as financial advisors in all aspects of multi-family housing and single family housing bond matters for issuers similar to the Authority since January 1, 2001.

(20 Points)

Ms. Edmonds and Mr. Flood have over 20 years of experience in developing and implementing affordable housing programs. Ms. Edmonds serves as financial advisor to the Housing Finance Authorities of Miami-Dade County, Brevard County, Clay County, Duval County and Polk County, the City of Orlando, Hillsborough County, the State of Florida Correctional Privatization Commission, and one of the financial advisors to the State of Florida Division of Bond Finance. Ms. Edmonds has served as financial advisor to the Housing Finance Authority of Miami-Dade County since 1997.

Mr. Flood serves as financial advisor to the Housing Finance Authority of Miami-Dade County and as one of three financial advisors and as Structuring Agent to the Florida Housing Finance Corporation. He is the senior banker to twelve state housing agencies and ten local housing finance authorities. He serves as Advisor to the Hungarian Government in its efforts to establish the country's first mortgage bank. Mr. Flood has served as financial advisor to the Housing Finance Authority of Miami-Dade County since 1997.

4. Proposed Fee Structure

Proposed fee structure that is the most advantageous to the Authority based upon the proposal submitted by each respondent or joint venture. (20 Points)

Hourly Fees: \$180 For Marianne Edmonds, Larry Flood
\$150 for other professionals at Vice President level
and above
\$ 75 for other staff

Per Bond Fees: \$1.25 per \$1,000 with minimum fees as follows:
Single Family \$25,000

Multifamily, publicly offered and
rated investment grade by Moody's,
Standard & Poor's or Fitch \$25,000

Multifamily, privately placed \$35,000

Expenses: All direct out of pocket expenses such as travel, phone,
Copying, delivery charges, faxing and printing.

Would like to negotiate a fixed retainer fee for ongoing advisory
services in lieu of hourly fees. The retainer of \$45,000 would
cover all services, except bond issuances.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY
Financial Advisors
EVALUATION PROPOSALS

Name: **Morgan Keegan**

SELECTION CRITERIA	RESPONDENT Morgan Keegan
<p><u>1. Demonstrated Technical Competence, Expertise, and Innovative Ability</u> Demonstrated technical competence, expertise, innovative ability, accessibility and availability of the respondent and in the case of a joint venture, of each firm in providing the services described in this RFP. (30 Points)</p>	<p>Over the past three years, Morgan Keegan has employed a number of innovative techniques as a senior manager, tailoring structures to specific challenges and situations, as appropriate for each issuer and market.</p> <p>The current delivery structure that best accomplishes an HFA's objectives in today's market is a complex structure which includes serial bonds, both an intermediate and a long term bond, and a premium PAC bond with a stepped-coupon. Serial bonds take best advantage of the steepest portion of the municipal yield curve-the first fifteen years. By structuring maturities for each of these years, the Authority can take advantage of the very low rates available for short term bonds. Inherent in this structure is the use of premium bonds. By carry a higher, above-market coupon, bonds may be sold at a price to the investor which is greater than their face value. The planned amortization class or PAC further enhances the pricing of the issue by limiting certain investor's exposure to early redemption from prepayments in the underlying mortgage portfolio.</p> <p>In order to reduce the amount of funds contributed by the Authority as well as to increase the overall efficiency of the program, Morgan Keegan recommends stepping the coupon on the premium PAC bonds. A stepped-coupon bond carries a relatively low interest rate during the origination period and the "steps up" to a higher rate for the remaining term of the bond. This structure can minimize or in some cases even eliminate negative arbitrage during the origination period.</p> <p>Maximizing the net present value of each transaction to the issuer strengthens the issuer's single family program and provides additional resources to the issuer with which it can more effectively fulfill its mission of meeting the housing needs of the citizens.</p>
<p><u>2. Experience of Responding Firm</u> Experience of the respondent, and in the case of a joint venture, of each firm as a financial advisor in all aspects of multi-family housing and single family housing bond matters for issuers similar to the Authority since January 1, 2001 (30 points)</p>	<p>Since 2001, Morgan Keegan has managed or placed 176 single family issues (including refunding issue) totaling over \$8 billion in par value. Over the same period, they have managed, place or advised on 77 multifamily issues for a par amount of more than \$1 billion. They ranked seventh in the nation during 2003</p>

	in serving as underwriter for housing issues (39 issues totaling \$1.6 billion, including private placements).
<p><u>3. Experience of Individual</u> Experience of the individuals to be assigned to the Authority as financial advisors in all aspects of multi-family housing and single family housing bond matters for issuers similar to the Authority since January 1, 2001. (20 Points)</p>	<p>Sandra Anderson is a First Vice President Located in our Palm Beach, Florida office. She has spent her 17-year public finance career focusing primarily on Florida municipal finance and has managed in excess of \$18 billion in municipal issues.</p> <p>James Fowler Jr. is a Managing Director located in Little Rock, Arkansas. He has had 18 years experience as a public finance investment banker and municipal financial advisor.</p> <p>David “Buck” Landry is a Managing Director based in New Orleans, Louisiana. He has over 16 years experience in Public Finance.</p> <p>Roderick Richardson is a Senior Vice President located in Pensacola, Florida. During the 34 years spent in the investment banking industry, the majority of his individual production has been spent in multifamily finance.</p> <p>J. Robert Coleman is a Senior Vice President in Memphis, Tennessee. He is actively involved in the development of bond structures as well as the development and implementation of lending programs resulting from the single family issues managed by the firm.</p> <p>Stephen Smalling is a Senior Vice President in Memphis, Tennessee. He has 17 years experience in the public finance industry.</p> <p>Donald Peterson is a First Vice President in Memphis, Tennessee and joined the firm in 2000. He is primarily responsible for the analysis and structuring of single family mortgage revenue bond issues managed by the firm.</p> <p>Steven Hattier is a Vice President in New Orleans. He has six years experience in housing finance. His experience includes structuring and cash flow analysis of multi-family and single family housing transactions.</p> <p>Christopher Spelbring is a Vice President based in Richmond, Va. He joined Morgan Keegan in November 2003 after spending 5 years as a senior investment banker with First Southwest Company. He plays a primary role I the analysis, structuring and pricing of municipal hosing bond transaction.</p>
<p><u>4. Proposed Fee Structure</u> Proposed fee structure that is the most advantageous to the Authority based upon the proposal submitted by each respondent or joint venture. (20 Points)</p>	<p>Morgan Keegan will serve the Authority as Financial Advisor for a fee related to bond issuance of \$1.00 per \$1,000 bond, with a minimum of \$20,000 per single family or multifamily transaction. Morgan Keegan would be reimbursed for all out-of-pocket expenses related to the transaction. For all other non-bond-issuance related services, Morgan Keegan would charge \$160 per hour. No retainer fee would be requested.</p>

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY
Financial Advisors
EVALUATION PROPOSALS

Name: **Public Financial Management Inc. and Diversified Management International**

SELECTION CRITERIA	RESPONDENT Public Financial Management, Inc (PFM). and Diversified Management International (DMI)
<p><u>1. Demonstrated Technical Competence, Expertise, and Innovative Ability</u> Demonstrated technical competence, expertise, innovative ability, accessibility and availability of the respondent and in the case of a joint venture, of each firm in providing the services described in this RFP. (30 Points)</p>	<p>PMI have a wide variety of experience in structuring and financing multifamily projects using letters of credit and other credit enhancements. The Project Team members have structured a substantial number of issues using unrated debt, which either was placed directly with a bank purchaser or marketed to sophisticated investors. For the City of Concord (CA), Mr. Litten acted as financial advisor in 1999 and as investment banker in 2001 for the acquisition and rehabilitation of the Maplewood and Golden Glen Apts. The developer was Eden Housing, a nonprofit community development corporation. The project ran into extreme difficulties during rehabilitation and had to completely revise the financing structure to overcome cost overruns. Eden wound up using state and private grants, a loan from the City and additional tax credits to make up the gap. Mr. Litten assisted in negotiating the terms of the primary loan, a variable rate credit enhancement by Citibank, and structured the subordinate loan from the City.</p> <p>As financial advisor to the San Diego Housing Commission (which functions as a local housing authority), Mr. Litten played a key role in developing and implementing the Commission's acquisition and rehab program, culminating in the purchase and refinancing of the Maya Apts. Mr. Litten initiated the proposal for the program, providing proforma financial analysis that demonstrated the feasibility of the program. He then worked with staff looking at a half dozen different properties before identifying a feasible property. Mr. Litten analyzed the cash flow of each prospective property and developed the financings structure to be used in the purchase. This enabled the Commission to purchase the property in advance of the refinancing of the project because of the confidence it could have in the availability of future tax exempt financing. Ultimately, the refinancing was completed using a program unique to Home</p>

	<p>Savings, the prior owner and lender on the property. Mr. Litten's experience with a broad range of financing mechanisms made it possible to compare Home Savings' proposed variable rate -indexed as a percentage of the 11th District cost of funds- to historical performance of market rate variable rate bonds. On the basis of this analysis, the Commission concluded that the Home Savings program, with its lower initial costs, would be advantageous.</p> <p>PFM has ample experience looking at project cash flows. As financial advisor to the San Diego Housing Commission, Mr. Litten was asked to evaluate the developer of the Pensaquitos Gardens and Mt. Aguilar apartment projects, for a HOME loan from the Commission, to be subordinated to \$47 million of bonds use to acquire and rehabilitate the project. Mr. Litten, based upon the developer's proforma cash flows, developed a cash flow model to assess the developer's return investment. Based upon his evaluation, and comparisons to the Commission's policies in similar projects, he recommended that the developer defer a portion of his fee and that the proposed loan amount be reduced by about 40%. Mr. Litten led the negotiations and the Commission was able to reach an agreement with the developer conforming to the terms Mr. Litten had recommended.</p> <p>As advisor to issuers of multifamily bonds, the firm is called upon frequently to negotiate terms with developers. Recently, PFM acted as financial advisor for a \$29,000,000 multifamily housing bond issued by Contra Costa County (CA) that closed in July 2003. In the course of the financing, the developer encountered unforeseen design changes that required increases in project costs. These increases completely absorbed the developer's contingency fund, so he requested that the County make a contingent commitment of \$2,000,000 from its Community Development budget to make up the shortfall if necessary. The only funds that the County had available for such a commitment would only be available for 3 years, and then were committed for other purposes. PFM analyzed the cash flows and determined that the project might reasonably be expected to have sufficient cash flow to obtain replacement financing and repay the County loan within 3 years. PFM also determined that it would be prudent to have additional guarantees by the developer and its partners in order to be certain that the County loan would be repaid. PFM structured the deal points and drafted the commitment letter for the loan, satisfying the requirements of both the County and the developer.</p>
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<p><u>2. Experience of Responding Firm</u> Experience of the respondent, and in the case of a joint venture, of each firm as a financial advisor in all aspects of multi-family housing and single family housing bond matters for issuers similar to the Authority since January 1, 2001 (30 points)</p>	<p>As a financial advisor, PFM engages in capital planning, revenue forecasting and evaluation, resource allocation, debt management policy development and debt transaction management.</p> <p>PFM is the leading financial advisory firm for local and state government. Last year, PFM advised on 898 bond transactions with a total volume of over \$39 billion. PFM served as financial advisor for 10 multifamily issues totaling over \$193.4 million in 2002 and ranked fifth in issue volume among financial advisory firms who worked in multifamily housing.</p> <p>The PFM Project Team provides a wide range of experience and expertise in affordable housing bond issues totaling over \$5 billion. The PFM Project Team has successfully undertaken an acquisition program on behalf of a local housing authority. Joe Litten, leader of the PFM Project Team, conceived, structured and initiated an acquisition program on behalf of the Housing Commission of the City of San Diego culminating in the acquisition of a distressed residential rental property that is now enjoying a healthy cash flow. The members of the Project Team have acted as financial advisor or investment banker for over 80 single family mortgage revenue bond issues totaling over \$2.8 billion. The members of the Project Team has acted as financial advisor or investment banker for single family mortgage revenue bond financings by Alaska Housing Finance Corporation, the California Housing Finance Agency, the California Dept. of Veterans' Affairs, the Nevada Housing Division, the Oregon Housing Division, the Utah Housing Finance Agency and dozens of local agencies. The members of the Project Team have acted as financial advisor or investment banker for over 200 multifamily housing revenue bond transactions totaling over \$2.5 billion. The members of the Project Team have molded multifamily housing financings on behalf of issuers, developers and credit enhancers, enabling us to provide in-depth analysis of proposed projects.</p> <p>DMI is a Florida-based minority owned consulting firm that specializes in finance, marketing and other business management services with who PFM partners with when we require additional expertise in those areas.</p>

<p><u>3. Experience of Individual</u> Experience of the individuals to be assigned to the Authority as financial advisors in all aspects of multi-family housing and single family housing bond matters for issuers similar to the Authority since January 1, 2001. (20 Points)</p>	<p><u>Project Team</u></p> <p>Joe Litten, Senior Managing Consultant and head of PFM’s Housing Finance Group will lead the Project Team. He has 30 years of experience in municipal finance and has provided financial services for the issuance of over 300 affordable housing bonds totaling more than \$5 billion.</p> <p>Raul Masvidal, Senior Managing Consultant will be available on a day-to-day basis. He is an experienced real estate developer and has worked on a study for the Miami-Dade Housing Agency on federally funded projects. He has been affiliated with PFM since 1997.</p> <p>David Miller, Managing Director, will provide oversight and expertise in Florida laws, regulations and professional practices. He has over 15 years experience, and in the last two years has completed over \$1.5 billion in tax-exempt financings.</p> <p>Sergio Masvidal and Tyson Strutzenberg, Consultants, will provide technical and quantitative analysis for issue sizing and structuring of transactions.</p> <p>Christopher McFarlene, Senior Vice President of DMI has 17 years of experience. He has broad based experience in assessing a full range of financial products and services, including investment banking to individual, corporate and governmental clients.</p> <p>Antonio Junior, President of DMI has 20 years of experience in the investment management field. He oversees DMI’s operations, which includes account supervision, marketing, business development, and client service.</p>

4. Proposed Fee Structure

Proposed fee structure that is the most advantageous to the Authority based upon the proposal submitted by each respondent or joint venture. (20 Points)

Out-of-pocket expenses would be charged in addition to the fee, but with a ceiling to be agreed upon on an issue-by-issue basis.

<u>Bond Issue Amount</u>	<u>Total Proposed Fee</u>
\$5,000,000 or less	\$20,000
\$5,000,001-\$10,000,000	\$25,000
\$10,000,001-\$20,000,000	\$35,000
\$20,000,001-\$30,000,000	\$45,000
\$30,000,001-\$40,000,000	\$50,000
\$40,000,001-\$50,000,000	\$55,000
\$50,000,001-\$60,000,000	\$60,000
\$60,000,000-\$70,000,000	\$70,000
\$70,000,000-\$80,000,000	\$80,000
\$80,000,000-\$90,000,000	\$90,000
\$90,000,000-\$100,000,000	\$100,000

For services that are determined to be “non-transaction”, PFM proposes the fees be based on the following hourly billing schedule, plus out-of-pocket expenses, subject to prior approval by the HFA:

<u>Title</u>	<u>Hourly Rate</u>
Managing Director	\$250.00
Sr. Managing Consultant	\$220.00
Consultant	\$190.00
Associate	\$125.00

PFM anticipates that the bulk of the work for the HFA will be conducted by Senior Managing Consultants and Consultants in a ratio of about 2 to 3 hours of Consultant time to every hour of Senior Managing Consultant time. PFM would agree to perform non-transactional tasks at a fixed price once a specific scope of services is determined and agreed upon by all parties.

Should the Authority elect to use PFM for ancillary services, such as investment of bond proceeds, bidding structured products (such as interest rate caps on variable bonds) or arbitrage rebate calculations, we would provide fee quotes appropriate to the size and complexity of the particular services provided. competitive, but, more importantly

RESOLUTION NO. HFA 04-06

RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$19,000,000 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF R.S. DEVELOPMENT CORP.

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the "Authority") has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project or projects to consist of approximately 310 units, to be occupied by persons of low, moderate and middle income located at the SW Corner of SW 264th Street and SW 139th Avenue, Naranja, Miami-Dade County, Florida to be known as Mowry Gardens Apartments (the "Project"); to be owned by R.S. Development Corp. or its designee (the "Owner"); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in one or more series or issues in the amount currently estimated not to exceed \$19,000,000 (the "Bonds"), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project; and

WHEREAS, on January 26, 2004 the Authority adopted its resolution No. 04-01 approving the financing of the Project in an amount not-to-exceed \$16,700,000, the Authority

now determines that it is necessary to increase the amount of the financing to not-to-exceed \$19,000,000.

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the

Bonds will be for costs of a type properly chargeable to the capital account of the Project under general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds, if applicable. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this

Resolution, the processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 19th day of April, 2004.

(Seal)

HOUSING FINANCING AUTHORITY OF
MIAMI-DADE COUNTY (FLORIDA)

Attest:

Chairman

Secretary/Treasurer

Approved as to form and
legal sufficiency by the
Miami-Dade County Attorney

By: _____
Assistant County Attorney
for Miami-Dade County, Florida

Citibank Community Development

REVISED PREVIEW MEMO

Florida Director/RM: Peter J. McDougal

Deputy Director: Steven C. Hall

Date: January 2, 2004 **Project:** Capital Building Conversion to Lofts, Miami, FL

Projected Closing Date: February 16, 2004

BORROWER: 117 N.E. 1st Avenue, LLC
c/o Arbel Management Company
Galilee Gardens Apartments
10820 S.W. 200 Drive
Miami, FL 33157

BRIEF BACKGROUND:

In September 1999, the Borrower purchased the Capital Building at 117 N.E. 1st Avenue for \$3,100,000. The 17-story building, built in 1926, had been vacant for a number of years. During its serviceable years, it had been an office building with a commercial bank as the ground floor tenant. The building has historical value with many neo-classic features. The members of the LLC are Haim Einhorn, an Israeli with dual citizenship in Israel and United States, who owns 20%, and a passive investor, Yitzhak Roth, also an Israeli, who owns the remaining 80%. Since 2000, Mr. Einhorn has been working to redevelop the property, getting assistance from the Downtown Miami CDC of which Peter McDougal is a Board member. In late 2000, Peter introduced Haim to Bryan Finnie, the President of Miami-Dade Empowerment Trust, who inspected the building along with Bernice Giscombe of CCD. After several development concepts, the owners have settled on converting the building into residential, loft-style, condominiums with retail on the first floor, as detailed in the next section.

PROJECT DESCRIPTION:

The owners plan on renovating the entire building. They will restore the former two-story bank lobby, removing an added 2nd floor in order to create 3,500 square feet of retail space on the main floor. Floors 3 through 14 will be converted into 60 residential condo lofts, (5 per floor), running from 661, sf (1/1s) to 1,347 sf (2/2s). There will be a single unit of 5,100 sf on the 15th floor. The 16th and 17th floors will be converted into a two-story penthouse unit of 5,200 sf with access to the cupola overlooking the entire downtown. 11 of the units, (20% of the total), will be reserved for purchase by low and moderate-income individuals. The units on floors 3 through 14 will sell between \$115,000 (\$169 p.s.f.) and \$430,000 (\$231 p.s.f.). The 15th floor unit will sell for \$1,000,000 (\$200 p.s.f.), and the penthouse unit will be offered for sale at \$1,250,000 (240 p.s.f.).

PROPOSED FACILITY/PURPOSE: (A complete listing of terms and conditions is attached as an exhibit.)

Loan Amount: Up to \$9,000,000 in the form of an interim construction/rehabilitation loan.

Security: First mortgage on land and building at 117 N.E. 1st Avenue, Miami, FL 33132. UCC first lien on personal property affixed to the real estate.

Term: Twenty-four (24) months.

Repayment: Interest only monthly with principal reductions at 115% of the pro-rated portion of outstanding loan balance attributable to the particular unit being sold, but in no case less than 95% of the selling price of the unit less lender-approved closing costs.

Pricing: **Rate:** At the Borrower's option: At Citibank's Base Rate, or alternatively, at 300 basis points over 1-month LIBOR, adjusted from time to time.
Fee: 1% Commitment Fee

PROJECT INFORMATION:

Property Addresses: 117 N.E. 1st Avenue, Miami, FL 33132

Location: Central business district of the City of Miami.

Government Program: - \$1,000,000 H.U.D. HOME grant from Miami-Dade County.
- \$500,000 from the City of Miami.

PROPERTY TYPE	Presently an office building. To be converted into residential lofts with commercial/retail on the first floor.
PROPERTY SIZE	The lot is 7,500 s.f. The gross building size is approximately 97,300 s.f.
NUMBER OF UNITS	3,500 sf of retail space on the first floor, a 2-story atrium. 60 residential loft apartments on floors 3 to 14. 1 full-floor loft unit on the 15 th floor. 1 two-story penthouse on the 16 th and 17 th floors.
SQUARE FOOTAGE	48 loft units of 679 s.f., selling for an average of \$145,000. 12 loft units of 2,045 s.f., selling for an average of \$415,000. 1 full floor unit of 5,100 s.f., selling for \$1,000,000. 1 penthouse bi-level unit of 5,200 s.f., selling for \$1,250,000. 1 commercial/retail unit of 3,500 s.f., selling for \$660,000.
IMPROVEMENT LAYOUT	Presently a vacant 17-story office building. Upon rehabilitation, floors 3 through 14, above the 1 st two-floor atrium, will have 5 loft apartments of varied square footage. The 15 th floor will be a single unit with a bi-level penthouse apartment on the top two floors.
SELLING PRICES	Prices will range between \$115,000 to \$1,250,000. Appraisal First, Inc.'s Feasibility Study as of 12/27/02 projects a gross sellout value of \$13,912,600.

RAC COMPLIANCE: Applicable RAC: Government-Assisted Construction/Rehabilitation of “For Sale” Housing.

RAC Exception	Mitigant
None	

CRA QUALIFIED:

JUSTIFICATION:	Yes/No	DETAILS:
>51% LMI population served	Yes	20% of the units will be reserved for low or moderate-income purchasers.
LMI census tract	Yes	Census Tract 37.01 is Low Income
Government program	Yes	HOME subsidy for project.
Affordable housing	Yes	20% of the units will be priced affordably.
Special Needs Facility	No	Not Applicable
Other	No	No other justification

FINANCIAL ANALYSIS OF BORROWER AND GUARANTORS:

The Borrower is a single purpose entity whose sole asset is the building and sole liabilities are the existing mortgages on the property. The entity has no income presently. Its expenses are all related to the pre-development costs on the project.

The managing member of the Borrower is Haim Einhorn, who owns 20% of the company. The other member is Yitzhak Roth, who owns the remaining 80%. A thumbnail of their personal financial statements is as follows:

Net Worth Summary:	Haim Einhorn:	Yitzhak Roth:
Cash on Hand	150,000	225,000
Real Estate Owned: (Note A)	6,400,000	30,200,000
Other Assets:	100,000	750,000
Total Assets:	6,650,000	31,175,000
Notes Payable:	36,000	0
Mortgages Payable, Pro-Rata:	3,710,000	12,640,000
Total Liabilities:	3,746,000	12,640,000
Net Worth:	2,904,000	18,535,000
Income Summary:	Haim Einhorn:	Yitzhak Roth:
Salary:	0	120,000
Dividends:	0	250,000
Real Estate Income:	200,000	250,000
Other Income:	127,000	0
Total Income:	327,000	620,000

Note A: Real Estate Owned:	Haim Einhorn:	Yitzhak Roth:
Various Israeli Properties, Net:	550,000	11,200,000
Galilee Gardens Apts., Miami, Net:	990,000	3,960,000
Capital Building, Miami, Net:	600,000	2,400,000
Arbel 1, LLC Ground Lease, Miami:	500,000	0
Residence, Net, Miami:	50,000	0
Net Equity in Real Estate:	2,690,000	17,560,000

OTHER ISSUES:

1) Development Team:

The architect, Raul Rodriguez, and the general contractor, Jerry Attardi, are well known for their experience with renovations, most especially on South Beach. We have asked for AIA Qualification Statements on each of them, which will be reviewed during due diligence.

2) Market Demand:

To confirm the demand for such residential lofts in the central business district, the developers hired one of our approved appraisers, Appraisal First, to complete a Feasibility/Demand Study, dated December 27, 2002. The Study concluded that there is adequate demand for the planned units with the target market being young professionals in the 25 to 40-year age range. The typical household would be one person without children. The highest demand would be for 1 bedroom-1 bath units within the developer's proposed square foot range. The viable price per square foot would be \$200 per square foot with sell-out over a 12-month period.

3) Pre-Construction Reservations:

As part of a professional services contract to assist the developers, the Downtown Miami Community Development Corporation prepared a brochure for the marketing of the project. It included as an enclosure a Reservation Application Request Form, requiring a \$100.00 good faith deposit from interested purchasers. The developers have delivered to us over 200 completed forms. A review of the forms showed the applicants to be representative of the demographics identified in the Feasibility/Demand Study, discussed above.

4) Pre-Sales Requirement:

The following are the Pre-Sales Requirements outlined in the Summary of Terms & Conditions, attached:

To obtain an initial advance of \$3,500,000, the Borrower will present to the Lender valid contracts of sale totaling \$3,000,000 in gross sales prices. The initial advance will be used to pay off \$3,000,000 in existing first and second mortgage loans, to complete the renovation of the ground floor, and to build out a model unit. For further advances, the Borrower must present valid contracts of sale, including the \$3,000,000 in contracts, representing 50% of the gross dollar sellout value of the project of \$14,850,000, such that there will be a total of \$7,425,000 in sales contracts including the \$3,000,000.

The intent of this structure is to allow the developers to market the property with a grand entrance and model available for view by potential buyers. As indicated by the large number of Pre-Construction Reservations, above, there is already a high level of interest in the project. The developers feel that they will be able to get premium prices for the units with a finished lobby and model.

5) Value of the Building, As Is:

In January 2002, the owners received a Letter of Interest to purchase the Capital Building for \$5,000,000 from Scott Robins, a well-known developer of similar type properties in downtown Miami and in South Beach. The offer included the requirement of the owners taking back a \$2,000,000 purchase money mortgage for 3 years at 6%. We consider this offer to have been a valid, third party offer from a responsible purchaser. Market conditions have only improved since the date of that Letter of Intent.

6) Sources and Uses:

A) Sources and Uses To-Date:

Sources to Date:	Amount:
Existing 1 st Mortgage Loan	\$1,945,000
Existing 2 nd Mortgage Loan	1,000,000
Developer Equity	3,355,000
Total Sources:	\$6,300,000

Uses to Date:	Amount:
Purchase of Land and Building	\$3,100,000
Pre-Development Expenses	3,200,000
Total Uses:	\$6,300,000

B) Sources and Uses to Complete:

Sources to Complete:	Amount:
Construction/Rehab Loan	\$9,000,000
County HOME Grant & City Grant	1,500,000
Total Sources to Complete:	\$10,500,000

Uses to Complete:	Amount:
Payoff of Existing 1 st Mortgage	\$1,945,000
Payoff of Existing 2 nd Mortgage	1,000,000
Hard Costs for Rehabilitation	5,200,000
Hard Cost Reserve (10%)	520,000
Interest Reserve	650,000
Other Soft Costs	250,000
Soft Cost Reserve (5%)	45,000
Marketing and Other Costs	890,000
Total Uses to Complete	\$10,500,000

7) Refinance of Existing Debt:

We will be refinancing \$2,945,000 in existing financing on the property, monies that subsidized the purchase, demolition of interior improvements, and other pre-development expenses. As shown in the Sources and Uses to Date, above, the developers have a substantial investment of \$3,355,000 in the property, accounting for 53% of expenses to date.

8) Additional Collateral:

Because of the involvement of the Downtown Miami CDC, the Housing Finance Authority of Miami-Dade County is prepared to pledge to the lender a \$3,000,000 portion of a Promissory Note due from Miami-Dade County to the Housing Finance Authority. The Authority is providing the same form of assignment to Wachovia Bank that is providing construction/rehab financing to the developers of Flagler First, another conversion of a former office building into apartments one and a half blocks from the Capital Building. We had had lengthy discussions with the developer and lender about buying a participation in that loan from Wachovia, but at the last minute the developer decided to close the loan with Wachovia alone.

9) Site Inspection of Capital Building and Galilee Gardens Apartments:

Since doing an interior inspection with Bernice Giscombe in 2000, I have not been inside the building. I have shown it from the exterior to Andy Ditton, and Steve Hall on their visit in December 2002. As part of the due diligence, I will re-inspect the property, especially since the second floor has been removed to restore the two-story arcade, which once served as the lobby of a commercial bank. I will also visit the developer's major real estate holding, the Galilee Gardens Apartments, a 433 residential rental complex in southwestern Miami-Dade County, near the Cutler Ridge Mall.

NEXT STEPS:

Issue a Conditional Commitment and complete Due Diligence.

ATTACHMENTS:

- 1) Summary of Terms and Conditions outlined in a Letter of Interest dated 12/12/03.
- 2) Project Cost Breakdown.

Distribution: William T. Cahill, Steven C. Hall, and John Denton
Cc: Nicola Y. Smith

SUMMARY OF KEY TERMS AND CONDITIONS

PROJECT NAME:	<u>Capital Building, A Proposed Condominium Project</u>
<u>Borrower:</u>	117 N.E. 1 st Avenue, LLC, a Florida Limited Liability Company
<u>Lender:</u>	Citibank, FSB, or an affiliate.
Developers:	Haim Einhorn, (20% Owner), and Yitzhak Roth, (80% Owner).
Purpose:	Conversion of unused office space to 3,500 s.f. of retail space on the two-story ground floor, 60 loft-styled residential condominium units on floors 3 to 14, 1 full-floor unit on the 15 th floor, and 1 two-story penthouse unit on the 16 th & 17 th floors in the historic Capital Building.
Project Description:	A gut rehab, consisting of the replacement of all building features with the exception of the exterior walls. The 60 units run in size from 661 sf (1/1s) to 1,858 sf (3/2s). The full-floor unit is 5,100 sf, and the penthouse unit is 5,200 sf. Units will sell for an average of \$214.00 psf.
Location:	117 N.E. 1 st Avenue, Miami, FL 33132
Loan Amount:	Up to \$9,000,000, but not to exceed 80% of the appraised market value of the project as a condominium conversion.
Loan Type:	Interim construction and rehabilitation loan.
Commitment Fee:	1.0%
Interest Rate:	At Citibank Base Rate adjusted from time to time, presently 4.00%, or at 3% over the 1-month LIBOR rate, which is presently 1.17%.
Term:	24 months on an "interest only" basis, payable monthly. The development budget and loan amount will include an interest reserve of \$650,000, calculated at 5.5% on an average loan balance of \$5,850,000 over the 24 months.
Collateral:	First mortgage on land and building at 117 N.E. 1 st Avenue, Miami, FL 33132 UCC first lien on the personal property affixed to the real estate.
Additional Collateral:	Assignment of \$3,000,000 of the proceeds of a Promissory Note due from Miami-Dade County to the Housing Finance Authority of Miami-Dade.
Personal Guarantees:	Individuals with 20% or more ownership in the Borrower, in this case, the two developers listed above.
General Contractors:	Acceptable to the Lender.
Payment and Performance Bonds	100% Performance and Payment Bond, or a Letter of Credit for 10% of the construction budget.
Construction Budget:	To include a 10% contingency reserve on hard costs and a 5% contingency reserve for unexpended soft costs after the loan closing.

Construction Monitoring:	Construction budget, plans and specifications approved by Citibank or its designated consultant, who will also perform monthly site inspections and approve progress payments for work certified in place.
Total Development Costs:	Estimated to be \$13,700,000.
Subsidies:	Up to \$1,000,000 in subsidies from Miami-Dade County. Up to \$500,000 in subsidies from the City of Miami.
Developers' Equity:	20% of the development costs, which can be in the form of cash, and/or the value of contributed land and buildings.
Engineering Report:	To be acceptable to the Lender
Environmental Reports:	To be acceptable to the Lender
Pre-sale Requirements:	To obtain an initial advance of \$3,500,000, the Borrower will present to the Lender valid contracts of sale totaling \$3,000,000 in gross sales prices. The initial advance will be used to pay off \$3,000,000 in existing first and second mortgage loans, to complete the renovation of the ground floor, and to build out a model unit. For further advances, the Borrower must present valid contracts of sale, including the \$3,000,000 in contracts, representing 50% of the gross dollar sellout value of the project of \$14,850,000, such that there will be a total of \$7,425,000 in sales contracts including the \$3,000,000.
Affordability:	At least 11 of the units must be reserved for qualified low or moderate-income buyers, as conditioned by Miami-Dade County.
Release Prices:	115% of the pro-rated portion of outstanding loan balance attributable to the unit being sold, but in no case less than 95% of the selling price of the unit less lender-approved closing costs.

April 9, 2004

Paul Gowar
Fannie Mae
255 S. Orange Avenue
Suite 1590
Orlando, FL 32801

Patricia J. Braynon
Miami Dade Housing Finance Authority
25 West Flagler Street
Suite 950
Miami, FL 33130-1720

RE: Richmond Heights Community Development Corporation

Dear Paul and Pat,

We are pleased to submit for your consideration and approval a \$1,000,000.00 loan request from Richmond Heights Community Development Corporation for their Infill Affordable Homeownership Program.

The homeownership program that the Richmond Heights Community Development Corporation wants to incorporate is two-fold. First, they want to promote affordable homeownership as the residents are aging, the homes are becoming available for resale. Some of the homes will be purchased with the intent of reselling while others will be upgraded adding a bath or bedroom. Secondly, they want to maintain a homeownership community by purchasing the homes and stopping investors from buying the homes and turning around and leasing them to Section 8 tenants.

The homes within the Richmond Heights community range from 780sq ft to 1500 sq ft. most of them located on a minimum lot of 7500 sq ft. The number of homes in the area "For Sale" ranges from 10-15 at a time with selling prices ranging from the \$95,000 up to \$150,000. Most homes were renovated and have new roofs after Hurricane Andrew. The homes in that market are 2bedrooms/1bath, 3bedrooms/1bath or 3 or 4bedrooms with 2 baths.

Paul Gowar and

Pat Braynon
Richmond Heights Community Development Corporation
March 29, 2004
Page 2

It is quite difficult to give an average cost per home for the ones that will be upgraded, as many factors have to be taken into consideration. We would put together an estimate of costs at the time of acquisition should a home require renovation or upgrades. For homes that are being acquired for resale the costs would only be the acquisition costs, interest carry and closing costs and again would be projected at the time of acquisition. It is our goal to do a minimum of 5 homes at a time in order to get some type of efficiency on construction costs. It is our intent to purchase the homes at a price below the selling price.

We believe the average time frame for selling homes (not improved) is 60-90 days from acquisition and 180-240 days for the rehabilitated homes.

Again renovations may or may not require permitting so this timeframe will adjust based on the planned improvements.

Enclosed is information on the Richmond Heights Community Development Corporation, along with their financial statements as of fiscal year ending 3/31/03, and current statements, along with tax returns for 2001, 2002, and 2003. The CDC has contracted with our company as their developer and exclusive broker in implementing the program. The CDC has successfully implemented all of their strategic goals in the past, which include acquisition of a 79,000 sq ft Shopping Center and development of affordable homes. They are currently going to be building 1772 sq ft homes on the last two vacant lots in their community starting in May 2004. These are pre-sold prior to construction.

If you have any questions please feel free to give me call.

Sincerely,

Platinum Property Management, Inc.

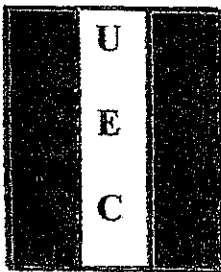
Debra Sinkle Kolsky, President

DSK: td

Encl.

Cc: Patrick Merit- Executive Director Richmond Heights, CDC

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Urban Empowerment Corporation

3672 Grand Avenue — P.O. Box 330075

Miami, Florida 33133

(305) 446-3095 office

(305) 446-9932 fax

cglcdc@bellsouth.net

March 19, 2004

Ms. Patricia Braynon, Executive Director
Miami-Dade Housing Finance Authority
25 West Flagler Street, Ste. 900
Miami, FL 33120

Dear Ms. Braynon,

Thank you for the opportunity to come before the Miami Dade Housing Finance Authority (MDHFA) Board to introduce an exciting opportunity in Coconut Grove and encourage your participation.

As you know, the West Grove is gentrifying at an alarming rate, which potentially threatens displacement of residents and small businesses, particularly minorities who have been a vital part of the community for many years.


The Urban Empowerment Corporation (UEC), is taking steps to help prevent such displacement and encourage wealth building. Toward this end, the UEC is converting a vacant building into a community asset, as a mixed use property.

This property, THE BAHAMIAN PROMENADE, will offer five residential and three commercial units for local businesses and residents, as a wealth building measure. The units will be for sale, and in fact, four of the units, three commercial and one residential already have reservation agreements.

We have prepared the enclosed documents for your review and request consideration by the Board for equity financing from the Miami Dade Housing Finance Authority for this project.

We are pleased to make this presentation and consider MDHFA a partner in our efforts to serve the community.

Sincerely,


Yvonne McDonald
President/CEO

YM/df

BAHAMIAN PROMENADE

3659 GRAND AVENUE, COCONUT GROVE, FLORIDA

EXECUTIVE SUMMARY

The Project

The Urban Empowerment Corporation, Inc. (UEC), is redeveloping prime property on Grand Avenue in Coconut Grove, as a mixed use condo conversion project that will result in 5 residential units and 3 commercial units. The property located at 3659 Grand Avenue in Coconut Grove, Florida, is a 5350.24 square foot facility with a total property area of 9004 square feet. The project is appraised at \$1,023,000.

This property which previously housed residential units and retail in the 1960's, has been vacant for approximately 20 years. It will now be renovated to provide five residential one bedroom units and three commercial units. It will generate five new homeowners and enhance three existing businesses, retaining eight employees and creating six new jobs and training opportunities

Finance Plan

The UEC proposes the Miami-Dade Housing Finance Authority to be in an equity position in the development. The equity participation requested from the Miami-Dade Housing Authority, \$726,000, is structured to place the MDHFA in a **last in and first out** position, realizing a 2% equity participation fee and upon execution of the deal and a share of 20% of the profits.

The financing plan also includes grant support totaling \$270,755 from the Office of Community Services and HUD. The grant support and sale of the units will provide a rapid and secure return on investment for the MDHFA.

The total sale of the eight units will generate \$1,025,000. Four of the units are pre-reserved by local residents and local small minority business owners. Wells Fargo, Starbank, and Washington Mutual Bank are willing to provide end mortgages for the commercial and residential units. Gibraltar Bank and Terra Bank are willing to provide financing for the commercial units

MDHFA Return on Investment

Participations

UEC paid in	\$ 495,139	40.5%
HFA participation:	<u>\$ 726,000</u>	59.5%
Total	\$ 1,221,139	

Fees & Profit to the HFA

Up front Fee of 2%	\$ 14,520.00
Profit Participation	<u>\$ 20,000.00</u>
Total	\$ 34,520.00

Return on Investment (ROI) to HFA
0.0914 / year if paid in 6 months as projected.

Return on Investment (ROI) to HFA
0.0457 / year if paid in 12 months.

Benefit to the Community and Public

The West Coconut Grove community is a colorful mixture of Bahamian and African American history and culture. It is an emerging community but it is facing rapid gentrification. This proposal seeks financing to help mitigate the negative impact of gentrification which results in displacement. The proposed development serves as a catalyst for other economic development in the community.

The project is embraced and influenced by recent passage of the Neighborhood Conservation Plan for this community. The mixed use condo conversion is situated in the newly designated special Mixed Use Cultural District on Grand Avenue. The project reflects the objectives of the Neighborhood Conservation Plan, developed, adopted, and strongly supported by the community and the City of Miami.

The project is located within a half mile of the Metro Rail Station, well situated to provide multiple benefits to the public. The project will promote rider ship on public transportation and encourage less auto traffic and congestion, passing on the benefit of the Smart Commute Mortgage to the residential buyers. The development will also reflect the Bahamian architectural style reminiscent of

the historic culture of the community. It will provide a pleasant mixed use facility that compliments the street and the revitalization that is currently being undertaken in the community as it wraps around new development on the main street.

By providing this optimum space for minority small businesses and for homeowners, the project contributes to the stability for the community and advances its commitment to create jobs, preserve minority businesses, and offer quality goods and services with walkable distances for the neighbors.

Capacity of Development Team

The Urban Empowerment Corporation (UEC) is the developer for this project. The UEC is a non-profit tax exempt CDC which has been in operation in Coconut Grove since 1980. The UEC has developed 34 single-family houses and mixed use properties in Coconut Grove and currently owns and operates a small business incubator which hosts six (6) small minority businesses. The UEC is also involved in providing technical assistance to small "Mom and Pop" businesses through the highly acclaimed Miami-Dade County funded Neighbors and Neighbors, Inc. Mom & Pops Grant Program.

The Executive Director of the UEC, a native of Coconut Grove, has been serving in this position since 1999. With a dynamic and diverse community based board of directors, this administrative team has provided strong leadership and is well represented in the local community. The Executive Director serves as 2nd Vice President of the very influential Coconut Grove Village West Home Owners and Tenants Association, and is appointed by the City of Miami District #2 to serve on the Equal Opportunity Advisory Board. The Board President is a successful Real Estate Attorney and serves on several non-profit Boards. The Contractor, Naroca Construction, a lead contractor, has been in the construction field since 1949 and in the USA since 1979. Naroca Construction has built over 160 houses, rehab. Over 65 homes and 20 apartment buildings and constructed 12 shopping centers and stores.

The Community Consultant, with a strong background in economic development and revitalization in gentrifying communities, has provided assistance with project management and helped to link the project to the newly adopted Neighborhood Conservation District Plan for The Island District.

A local minority Realtor who is a resident of Coconut Grove, has provided brokerage services for the unit sales.

Partners

Fannie Mae is a partner on the project through its ACF fund (in partnership with MDFHA), and its Smart Commute and Miracle mortgage products. Washington Mutual Bank, Starbank, and Wells Fargo are partners in providing the end mortgages for the residential units. Union Planters Bank is partnering to provide loans for the commercial units.

Bank Atlantic, The Coconut Grove "Village West" Home Owners and Tenants Association and the Coconut Grove Ministerial Alliance are partnering to provide and prepare prospective condo buyers through the Island District Homebuyers Club.

HUD and the Federal Office of Community Service have also partnered by providing grants. The University of Miami has provided technical assistance through its School of Architecture and the Knight Program in Community Building.

Projected Project Completion

A well attended groundbreaking ceremony was held on August 29, 2003 with many dignitaries in attendance including the honorable Jimmy Morales, Commission District 7, and Senator Larcenia Bullard, Florida State District 39.

The demolition has been completed on the project and the final construction permits are approved at the City of Miami. Condo Docs are being submitted to the State of Florida.

The next phase of the project will be construction which commences upon approved of this proposal. The Certificates of Occupancy are expected to be issued by October, 2004.

THE LEADER MORTGAGE COMPANY
2002 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 4/14/2004

Program End Date
11/1/2004

ORIGINATOR SUMMARY

	Loans	Total Originated Amount
Bank Atlantic FSB	8	540,123
Banking Mortgage Corporation	26	1,515,994
Chase Manhattan Mortgage	83	8,915,596
CitiBank (CitiMortgage, Miami)	21	1,263,729
Countrywide Home Loans	12	1,057,638
UAMC	7	726,220
Washington Mutual	16	1,130,300
Total	173	\$15,149,600

LOAN TYPE TOTALS

	Loans	Total Originated Amount	% of Total
FHA	69	7,612,099	50.25
FNMA 97%	46	3,194,360	21.09
FNMA CHBP	2	130,560	.86
FNMA CHBP 3/2	4	244,970	1.62
FNMA Conv.	48	3,687,393	24.34
FNMA HFA Home	3	135,218	.89
VA	1	145,000	.96
Total	173	\$15,149,600	100.00

NEW/EXISTING TOTALS

	Loans	Total Originated Amount	% of Total
Existing	157	13,789,703	91.02
New	16	1,359,897	8.98
Total	173	\$15,149,600	100.00

TARGET/NON-TARGET TOTALS

	Loans	Total Originated Amount	% of Total
Non-Target	141	12,871,439	84.96
Target	32	2,278,161	15.04
Total	173	\$15,149,600	100.00

THE LEADER MORTGAGE COMPANY
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11/1/2004

HOUSING TYPE TOTALS

	Loans	Total Originated Amount	% of Total
1 Unit Detached	71	6,999,383	46.20
Condo	91	6,923,706	45.70
Duplex	2	189,336	1.25
Quad	1	193,161	1.28
Townhouse	8	844,014	5.57
Total	173	\$15,149,600	100.00

TYPE OF FUNDS - TOTALS

	Loans	Total Originated Amount	% of Total
*Spot-General	173	15,149,600	100.00
Total	173	\$15,149,600	100.00

INTEREST RATE BREAKDOWN

	Interest Rate Limit	Loans	Total Originated Amount	% of Total
3.75000%	\$4,000,000	42	3,864,298	25.51
5.50000%	\$2,160,000	41	2,153,511	14.21
5.99000%	\$17,500,000	90	9,131,791	60.28
Total		173	\$15,149,600	100.00

PROGRAM PIPELINE

	Loans	Total Originated Amount	% of Total	Pool / Trustee Amount
Reservation	33	2,885,231	19.04	
UW Certification	10	830,442	5.48	
Compliance Approved	5	487,941	3.22	
Purchased	1	134,400	0.89	
Pooled	2	120,560	0.80	119,936.14
Sold to Trustee	122	10,691,026	70.57	10,665,553.82
Total	173	\$15,149,600	100.00	

RACE & ETHNICITY

	Loans	Total Originated Amount	% of Total
Asian	1	118,247	0.78
Black & Hispanic	3	271,181	1.79
Black & White	1	139,357	0.92
Black/African American	46	4,184,425	27.62
Other Multi-racial	5	291,001	1.92
White	11	1,013,982	6.69
White & Hispanic	106	9,131,407	60.27
Total	173	\$15,149,600	100.00

THE LEADER MORTGAGE COMPANY
2002 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 4/14/2004

Program End Date
11/1/2004

SUMMARY

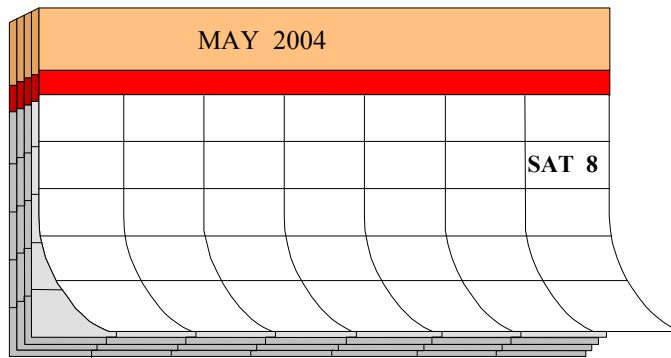
Original Allocation	\$21,660,000.00	Averages:	
Available Allocation	\$6,510,400	Loan Amount	\$87,570
		Purchase Price	\$112,914
Total Originated Amount	\$15,149,600	Compliance Income	\$29,502
Total Originated Loans	173		
Percentage Originated	69.94%	Borrower Age	37.5
		Household Size	2.6
First Time Home Owner	100%	Employed in Household	1.2

COUNTY TOTALS

	Loans	Total Originated Amount	% of Total
MIAMI-DADE	173	15,149,600	100.00
Total	173	\$15,149,600	100.00

BREAKDOWN BY CITY

	Loans	Total Originated Amount	% of Total
FLORIDA CITY	1	79,373	0.52
GOULDS	1	60,900	0.40
HIALEAH	20	1,676,036	11.06
HIALEAH GARDENS	4	326,723	2.16
HOMESTEAD	6	609,256	4.02
UNINCORPORATED MIAMI-DADE	133	11,457,915	75.63
MIAMI BEACH	2	208,550	1.38
MIAMI SHORES	1	148,824	0.98
NORTH MIAMI	1	146,840	0.97
OPA LOCKA	4	435,183	2.87
Total	173	\$15,149,600	100.00



Save the Date For Habitat For Humanity

Saturday, May 8th, 2004

Join the Housing Finance Authority of Miami-Dade County

and help celebrate it's 25th Anniversary by
participating in the Habitat For Humanity's

Community Blitz Build.

You are cordially invited to help build a home
in the Overtown neighborhood.

N.W. 1st Place and N.W. 16th Street

We look forward to seeing you there.

For additional information call 305-372-7990

Or

Visit our website at: www.miamidade.gov/hfa





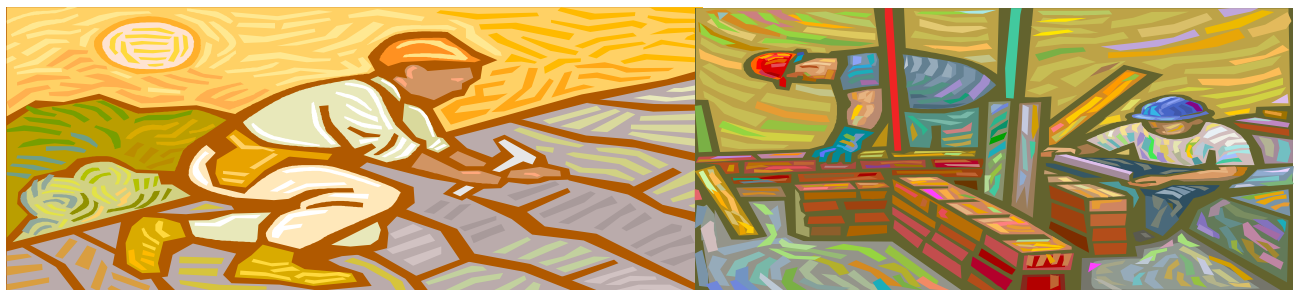
In May, the Housing Finance Authority of Miami-Dade County
will celebrate its 25th Anniversary
by building its 6th House
with Habitat For Humanity Of Greater Miami
Please join us

Saturday, May 8th, 2004
8:00 a.m. until 3:00 p.m.
In Overtown
N.W. 1st Place and N.W. 16th Street

Please complete the attached volunteer information form
and return to the HFA by fax (305)371-9152 or by mail
25 W. Flagler Street, Suite 950
Miami, Fl. 33130
no later than April **15, 2004**

One form must be completed for each participant

LUNCH WILL BE SERVED
See Directions Attached



Housing Finance Authority of Miami-Dade County
And Habitat For Humanity of Greater Miami
Volunteer Information Form

Contact Information

Name: _____

Social Security Number : _____

Mailing Address:_____

City:_____ State _____ Zip_____

Home Phone: () _____ Business Phone () _____

Employer (Department):_____

Position: _____

Medical Information

Emergency Contact: _____ ()
Name Phone

Medical conditions/allergies:

Release and Waiver of Liability: - This is a legal document which affects your legal rights. The Volunteer desires to work as a volunteer for Housing Finance Authority of Miami-Dade County and Habitat For Humanity of Greater Miami and engage in the activities related to being a volunteer. The Volunteer understands that the activities may include constructing residential buildings. The Volunteer does hereby freely and without duress execute this Release under the following terms:

Age Certification. By signing below, the volunteer certifies that he/she is 16 years of age and older.

I hereby understand and execute this Release as of the date listed below.

Signature of Volunteer

Date

Skills and Interest Assessment

Please indicate only those specific areas where you wish to participate, and use the following scale to rate your abilities:

1. *Unskilled.* Enthusiastic and willing to learn techniques in these areas.
2. *Semi-Skilled.* I have done this before and can work with minimal supervision.
3. *Skilled.* I can (and would, if asked) lead others in completing this task.

CONSTRUCTION

☐ General Volunteer
☐ Carpentry
☐ Concrete Finishing
☐ Electrical Work
☐ Plumbing
☐ Cabinet Work
☐ Painting
☐ Landscape
☐ Drywall
☐ Equipment Operation
☐ Masonry
☐ Roofing

SUPERVISION

☐ Site Supervisor
☐ Task Leader
☐ Crew Leader
☐ General Contractor
☐ Electrical Contractor
☐ Plumbing Contractor
☐ General Contractor
☐ Other

I can help the Housing Finance Authority of Miami-Dade County and Habitat For Humanity of Greater Miami with the following activities:

☐ Construction planning
☐ Development/Fund Raising

☐ Site Selection
☐ Public Relations

Would you like the Housing Finance Authority of Miami-Dade County to contact your employer, civic organization, regarding housing related volunteer or sponsorship programs?

(Please circle one) Y N

The Welcoming Tent/Parking is located on the corner of NW 16 Street and NW 1 Place.

From South on I-95:

Take I-95 North and exit at NW 2nd Street (exit number 2B).

Merge onto NW 3rd Avenue.

Continue North to NW 14th Street, make a right.

Turn left onto NW 1st Place.

End at NW 16th Street and NW 1st Place.

From North on I-95:

Go South on I-95 and exit at NW 8th Street (exit number 3B).

Turn left onto NW 8th Street.

Turn left onto NW 3rd Avenue.

Turn right onto NW 14th Street.

Turn left onto NW 1st Place.

End at NW 16th Street and NW 1st Place.



Earn the KEYS to your first HOME!

Attend free homebuyer classes in your neighborhood and learn 5 KEYS to homeownership.



- o Credit counseling
- o Budgeting and savings tools
- o The loan application process
- o Shopping for a house
- o Inside tips on home inspections, appraisals, and homeowners insurance

Home Buyers Club

<u>North Club</u>		<u>South Club</u>	
<u>Name:</u>	Community Action Agency Liberty City - CEC	<u>Name:</u>	Martin Memorial - African Methodist Episcopal Church
<u>Address:</u>	6100-A Northwest 7 th Avenue	<u>Address:</u>	14700 Lincoln Boulevard
<u>Time:</u>	5:30pm to 8:30pm.	<u>Time:</u>	6:00pm to 9:00pm.
<u>Dates:</u>	May 11	<u>Dates:</u>	May 13
	June 8 Graduation		June 10 Graduation

To register, call the Miami-Dade Affordable Housing Foundation, Inc. Monday – Friday, 8:00am to 5:00pm, at 305-373-9750, or E-mail us at mdahfi@bellsouth.net.

